

# **REMARKS AT THE SHALE GAS CONFERENCE**

(as prepared)

**Ambassador Lee Feinstein**

**April 8, 2010**

**Warsaw Polytechnika**

Szanowni Panstwo! Dzień Dobry.

It is my great pleasure to join Professor Kurnik and Minister Sikorski in welcoming you to this historic institution and this important discussion. Thank you, Professor, for this incredible venue.

I would especially like to thank Minister Sikorski for his kind remarks and his work with me in co-hosting this event. Minister Sikorski has long championed Poland's energy security as well as Poland's close ties with the United States. And I believe he shares my vision that those two goals are intrinsically linked. That is what brings us here today; to explore the potential of a new U.S.-Polish partnership – a partnership of innovation, investment and entrepreneurship - to advance our shared interest in developing cleaner, diversified and secure sources of energy.

I am delighted that so many representatives of the Polish presidency and government, the diplomatic community, the business world, civil society and the media are able join us today. And I am especially pleased to see the many guests who have traveled from the United States and elsewhere to participate in this conference. Your presence here underscores the long-standing tradition of U.S. and Polish cooperation; it also says something about what the rest of the world thinks of Poland's potential to further develop its resources, grow its economy and secure its energy future.

Before going any further, I too would like to pay special recognition to some very important guests. I am delighted that Minister Kraszewski is joining us today. Striking the right regulatory balance will be crucial to protect the environment while encouraging the sustainable development of Poland's gas resources. And we will hear Minister Dowgielewicz, Minister Strzelec-Lobodzinska and Chief Geologist Jerzierski, all of whom will continue to play vital roles in

securing the diversity of supplies and sources to fuel Poland's energy future.

I am very pleased to welcome as well a top-notch energy team from the United States as well, led by Ambassador Richard Morningstar, Secretary Clinton's Special Envoy for Eurasian Energy, and Doug Hengel, our Deputy Assistant Secretary of State for Energy. Both are leaders in my government's efforts to ensure that the world's energy markets remain open and transparent, and that we continue to invest and innovate in order to meet tomorrow's energy demands. This impressive U.S. delegation also includes representatives from the Departments of Energy, State and Defense, along with local government leaders and scientists from the U. S. Geological Survey.

And of course, we also have here today the people who will get the work done - the energy companies, service providers, and research institutes who are always looking for new and better ways to power our economies. These investors and innovators hope to match the very best

U.S. technology with Poland's very skilled entrepreneurs and workers, as well as hundreds of years of Polish geology and mining experience.

The investments we make today determine the challenges and opportunities we will face in the future. In the United States, we are supporting research and investment in new technologies, including clean coal to reduce emissions, smart grids to increase efficiency, better ways to harness wind and solar energy. And we are also looking at the next generation of ideas – third-generation biofuels, batteries and other ideas still in their discovery phase. As President Obama said last week in his speech on energy security “in order to sustain economic growth and produce jobs, and keep our businesses competitive, we are going to need to harness traditional sources of fuel even as we ramp up production of new sources of renewable, homegrown energy.” Energy security – for the United States and for Europe – means having a sustainable diversity of supplies, a diversity of sources, and a diversity of technologies to power our economies.

Along those lines, the United States has been able to move - in just a few years - from being a major importer of natural gas to a position of virtual gas independence. Much of this historic shift is due to shale gas. The United States is by far the largest producer of shale gas in the world. Liquefied natural gas once destined for U.S. consumption is now feeding global markets, making LNG more affordable around the globe.

We did not achieve this through some new geological discovery - the geology is important, but it has not changed over the past ten years; or over the past ten thousand years. What did change – and changed rapidly - was the ability of entrepreneurs to identify and extract gas more efficiently and economically than ever before. U.S. companies – through research and innovation – were able to develop and deploy new technologies, unlocking new resources and new possibilities for U.S. energy. An open, competitive marketplace kept costs low and innovation rapid, with companies forced to improve their services and technologies or be priced out of business. By fostering open, transparent, competitive energy markets, Poles can take energy security

into their own hands and guarantee they make the most out of Poland's resources.

The companies gathered here today are not only looking to bring these latest technologies to Poland in the hopes of achieving similar success here. They are also looking to build on them and continue the innovation process here in Poland. That is why partnerships are crucial to the success of these investments, as are open, transparent energy markets, where firms can compete to deliver better energy products at lower costs.

Five months ago, I arrived in Warsaw with a mandate from President Obama and Secretary Clinton to broaden and deepen America's strong and enduring relationship with Poland. Shortly thereafter, I laid out three areas where closer U.S. and Polish cooperation could build on the successful partnership of our two countries. The first was to work together to develop cleaner and more secure sources of energy to power Poland's future, providing for

Poland's climate and energy security while spurring economic growth. The second was to build on the bonds of investment and trade that were so critical to ensuring Poland's successful economic transition after the historic events of 1989. And the third area was to support innovation and foster the ties between U.S. and Polish entrepreneurs and businesses that can help Poland continue its next transition to a modern technology and information-based economy.

These three areas have been consistent themes in my discussions with Poland's leaders, and I am gratified we are starting to see results. Next month, Poland and the United States will begin work to deepen collaboration on research and development and reinvigorate the U.S.-Polish Joint Committee on Science and Technology. Scientists and political leaders from the United States will be in Warsaw next month to meet with Polish innovators led by the Ministry of Science and Higher Education. Together, they will explore closer research cooperation on the next generation of energy technologies, including clean coal and energy efficiency. This follows a series of meetings just last week with

Polish officials and the U.S. Department of Energy that will enhance support on both sides of the Atlantic for a wide range of joint research efforts.

Prime Minister Tusk and Minister Trojanowska are on their way to Washington D.C. next week to discuss, among other things, how we can all safely and securely develop nuclear power. Deputy Secretary Hightower of the U.S. Commerce Department will be in Warsaw in two weeks to discuss ways the U.S. can help Poland's nuclear power program, including agreements to encourage human capacity building, research and technology sharing, and regulatory assistance.

Equally important is the work done by geologists, scientists, investors and engineers to bring innovation and new energy technologies to markets. Over the past six months, the Polish government has granted a series of exploration licenses to U.S. companies eager to explore Poland's potential. In partnership with Polish energy companies and institutions, U.S. companies are currently researching how new



exploration and drilling technologies can open up new gas resources.

These resources, if recoverable in a cost effective way, will create jobs while helping Poland to answer tough questions about energy and climate security.

We don't yet know what the results of shale exploration will be here in Poland. I understand the first test drills will be done next month in Northwest Poland, with results expected to develop gradually over the next two years. Politicians – and, admittedly, Ambassadors – cannot legislate geology and promise success. However, political leaders can create a business environment that attracts investors, supports research and development, and facilitates the deployment of the very latest technologies. And they can take the steps necessary to safeguard the environment in a way that protects water supplies while encouraging investment.

The United States is grappling with these same issues. Our own Environmental Protection Agency is in the middle of a substantial

review to identify the potential risks, particularly to our water supplies, and what should be done to mitigate those risks. I expect a good discussion of these themes during today's conference.

Adapting and bringing to market the best and most efficient energy technologies will continue to be a learning process. But the lessons – regardless of the results of Poland's "shale play" – will lay the groundwork for our future energy security. The United States and Poland share a number of common challenges. Together, we need to be smarter and more efficient in how we generate and use energy.

- By getting the business environment and the regulatory framework right, we will ensure investors continue to bring the latest technologies to Poland.

- By matching up our best and brightest scientists and engineers, we will adapt and develop new technologies right here in Poland and encourage further innovations.

- By facilitating the kinds of cooperation on technology, innovation, research and development we are seeing in Poland's shale exploration, we will making the investments we need today to better prepare us for the future.

With that, I want to again thank you for your participation here today. I am very happy to leave you with this unparalleled assembly of international energy, technology and geopolitical experts.

Thank you very much.